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*Vietnam: The Vietnamese Communists have again publicly endorsed the idea of a coalition government in South Vietnam while castigating Saigon for blocking avenues to peace.

In a propaganda broadcast beamed to South Vietnam on 8 January, Hanoi denounced President Thieu's recent criticism of any moves toward the formation of a coalition government with the Communists. A Liberation Front broadcast on the same day interpreted the recent suspension of a Saigon newspaper as evidence that the Thieu government was "trembling" in the face of growing popular support for the plank in the Front platform calling for a "broad national democratic union."

In its efforts to promote the concept of a coalition government as a feasible alternative to a continuation of the Vietnamese struggle, Hanoi so far appears more interested in fanning the uneasiness generated over this issue in the South than in spelling out clearly its own interpretation of the concept. Moreover, there are no indications as yet that the North Vietnamese are attempting to couple their discussion of the coalition concept with their efforts to appear more forthcoming on talks with the United States.

On the military front, Communist forces are continuing to apply pressure against allied positions in the Saigon area.

In the fourth major attack in the past six days within a 30-mile radius of Saigon, a battalion-size Viet Cong force assaulted the forward command post of a US Army battalion in Hau Nghia Province on 10 January. Although five Americans were killed and 28 seriously wounded, the Communist attempt to overrun the US position was not successful.

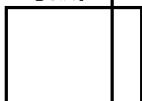
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Malaysia-Singapore: Leaders in Malaysia and Singapore have reacted sharply to plans for an accelerated withdrawal of British military forces.

Following talks with UK Commonwealth Secretary George Thomson, who explained Britain's reasons for advancing the timetable for complete withdrawal from 1975 to 1971, Malaysian Prime Minister Rahman took a moderate public line. He voiced his appreciation of Britain's budgetary difficulties and Malaysia's willingness to "make things easier" for the UK.



The Malaysians view the new withdrawal schedule as a virtual abrogation of the Anglo-Malaysian Defense Agreement, and they foresee that the UK departure will leave them without significant air or sea defenses. They also are concerned that the removal of air and sea units will complicate their logistic problems in dealing with Communist subversion, particularly in East Malaysia.

Singapore leaders have expressed similar alarm. Their concern stems not only from defense considerations, but also from the effect the withdrawal will have on the local economy. UK naval and air facilities employ some 40,000 workers and provide almost 20 percent of the island's income.

Prime Minister Lee has announced that he will fly to London this weekend. He hopes to persuade Malaysian, Australian, and New Zealand leaders to support an appeal to British Prime Minister Wilson to defer a public announcement of the UK withdrawal.

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The British also plan to pull their troops out of the small but oil-rich protectorate of Brunei. Malcolm MacDonald, the former UK commissioner for Southeast Asia, is visiting Brunei this week to explain the UK's "East of Suez" plans. He will also urge the Brunei Government to speed up political reform, a process the British consider desirable before they can terminate military and administrative commitments there.

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*Cambodia: Prince Sihanouk is taking a conciliatory public line on the progress of his talks with Ambassador Bowles.

Sihanouk told a press conference in Phnom Penh yesterday that the first meeting had been "very friendly," and he again praised the US for exercising restraint in dealing with Cambodia.

Although Sihanouk suggested that Cambodia might be willing to take some new measures to counter Communist violations of its territory, he made it clear that he was sticking to his long-standing position that this was the obligation of the International Control Commission. He also reiterated that Cambodia would facilitate the commission's investigations along the border.

Sihanouk's remarks apparently were aimed in part at the domestic audience. His assertion that Bowles had agreed the US would not exercise "hot pursuit" across the border seems designed to back-stop Sihanouk's boasts that his diplomatic skills would keep the war from spreading to Cambodia. It is also intended to tie the US publicly to a course desired by Sihanouk, one of the prince's favorite negotiating ploys.

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Thailand: Bangkok has moved to exercise criminal jurisdiction over US military personnel in Thailand.

The government announced on 9 January that it was putting new procedures into effect for dealing with US military offenders. The key provision requires US authorities to agree in writing, before taking custody of arrested servicemen, that they will be turned back to the Thais for prosecution "on request." In the past, Thai officials have released American servicemen for prosecution by US military authorities.

This move is clearly designed to exert pressure on the US to expedite the currently stalled negotiations on a status of forces agreement. The Thais suspended the negotiations last November on the grounds that the US effort to gain the kind of broad criminal jurisdiction enjoyed in other countries did not reflect the "unique" relationship between the two countries.

Bangkok's tough position points up the traditional sensitivity of the Thais to anything they think impinges on their sovereignty. It probably is also motivated by a desire to undercut domestic criticism of the growing US presence in Thailand and charges that the Bangkok leadership is not sufficiently solicitous of Thai national interests in relations with the US.

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*Czechoslovakia: The new leadership has revealed in broad outline plans for far-reaching changes in Czechoslovak life.

According to excerpts broadcast by the Czechoslovak news agency the official party daily, Rude Pravo, yesterday published an article which sets forth a series of radical proposals designed to meet the problems of society and the individual. The article presumably reflects the consensus of the party central committee which last week ousted party boss Novotny.

The idea that henceforth Czechoslovak "democracy" must always be connected with the "rights and liberties of the individual" is the keynote. The party may no longer use its power to undermine this ideal "by the pressure of authority in the name of the community's interests." As a corollary, the article points out that Czechoslovakia must develop forms of administration which create "more and more room for self-administration."

Furthermore, the article asserts, the party must withdraw from its ubiquitous role in Czechoslovak society. It must remove itself from the direct administration of the government and the economy. In order to accomplish this, Czech officials, even at the highest levels, no longer will be permitted to hold both government and party posts.

In the same issue of Rude Pravo, this decision to limit power was extended by the party's central control and auditing commission to all levels of the party. It would appear that virtually all party leaders, as well as thousands of middle-level party functionaries, will be affected.

This could allow the party's new first secretary, Alexander Dubcek, to appoint his own men to key posts, to stabilize his position, and to increase his leadership's popular support.

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If these glimpses are any indication, Dubcek may envision a system even more liberal domestically than Yugoslavia's and as independent in foreign policy as Rumania's.

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*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Bureau of Intelligence and Research, Department of State or of the Defense Intelligence Agency, Department of Defense.

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NOTE

Peru: High-ranking Peruvian Air Force officers expect the initial delivery of Mirage supersonic fighters in May or June and plan to have them operational by Air Force Day on 23 July. The Peruvians are taking great pride that they will be the first Latin American nation outside Cuba to fly supersonic aircraft. A group of pilots is scheduled to leave soon for France to begin training in the Mirage, and some aircraft mechanics have already gone to France to study the new planes.

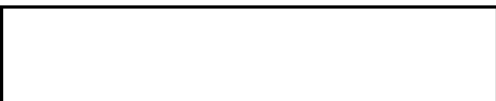
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